

February 13, 2002

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C 20445

Re: *Digital Audio Broadcasting Systems and Their Impact on the Terrestrial  
Broadcast Service*  
MM Docket No. 99-325

Dear Mr. Caton:

On behalf of Nautel Limited and Nautel Maine, Inc. ("Nautel"), I am submitting these comments in response to the Commission's December 19, 2001 Public Notice in the above-referenced proceeding. In its Public Notice, the Commission requested comment on the National Radio Systems Committee's ("NRSC") recent evaluation of iBiquity Digital Corporation's ("iBiquity") FM IBOC system and the results of iBiquity's FM system tests. Nautel has closely followed the development of IBOC and believes the information iBiquity and the NRSC have supplied establishes the viability of IBOC. This new technology has the potential to provide important benefits to the public, and Nautel encourages the Commission to endorse expeditiously the iBiquity system. Prompt action on the part of the FCC is required in order to foster the implementation of terrestrial digital audio broadcasting in the United States.

Nautel is one of the largest suppliers of transmission equipment to the United States broadcast industry. Its customers represent most classes of AM and FM stations and are located throughout the country. Nautel has had a long relationship with iBiquity and its predecessor companies. Several Nautel transmitters have been used in tests of the AM IBOC system, and Nautel has worked extensively with iBiquity to optimize the IBOC system for operation with Nautel's existing and future lines of transmission equipment. Nautel currently is engaged in an extensive examination of its full line of AM and FM transmitters to determine their compatibility with iBiquity's IBOC system and has designed a new line of transmitter products specifically targeted for stations looking for the ability to upgrade to digital using IBOC. Nautel is licensed to manufacture and sell transmission equipment containing iBiquity's IBOC technology and will launch commercial IBOC transmitters at NAB'02 to be held in April of this year.

Nautel's interest in IBOC stems from a number of factors. Many of our customers in recent years have indicated they plan to upgrade to digital broadcasting when it is available. For several years, customers have required that our transmitters were IBOC compatible, meaning that transmitters purchased today could be upgraded to digital in the future. The demand for this functionality among our customers was an early indication to Nautel of the strong interest in IBOC. More recently, we have been in discussions with several customers representing individual stations and multistation groups about the cost of IBOC equipment. These companies have been preparing their budgets and implementation plans to upgrade to IBOC and have asked for Nautel to assist in those efforts. Based on the discussions we have held to date, we anticipate strong demand for IBOC products after they become available later this year.

Nautel believes iBiquity's validation testing completed in 2001 demonstrated many benefits that IBOC will bring to broadcasting and the listening public. IBOC will allow broadcasters to offer improved audio quality and more reliable reception. This will greatly benefit all listeners with IBOC receivers. The NRSC's evaluation of the iBiquity tests has confirmed these benefits. The NRSC also confirmed that these benefits can be achieved without harm to existing analog reception in the vast majority of cases. Together, the iBiquity report and the NRSC endorsement provide the necessary foundation for the Commission to endorse IBOC promptly.

Although Nautel's experience with IBOC has provided Nautel with confidence that IBOC can be implemented in a cost effective manner without disruption to existing analog operations, Nautel also believes a strong FCC endorsement of IBOC is necessary to give broadcasters comfort that they are investing in the correct technology. Continued silence on the part of the FCC about IBOC and terrestrial digital broadcasting will hamper widespread acceptance and implementation of this technology.

The FCC can assist in the introduction of IBOC and foster the IBOC rollout with a few simple steps. First, the Commission should announce that it has stopped exploring out-of-band solutions for terrestrial digital radio. The IBOC test results demonstrate this is no longer necessary. The Commission also should strongly endorse the iBiquity IBOC system as the best means of introducing digital broadcasting in the United States. Finally, the Commission should move forward toward the adoption of a formal IBOC standard to encourage broadcasters, receiver manufacturers and consumers to upgrade to digital. This should include proposing rules that enable the introduction of IBOC at the earliest possible date.

Nautel believes a formal IBOC transmission standard will be necessary to ensure a uniform approach to DAB is adopted in the United States. At the same time, Nautel encourages the Commission to allow stations to begin the digital transition prior to the completion of the final IBOC standard. Development of a formal standard is a time consuming process and the public will not be served if all digital broadcasting is delayed

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until completion of that step. The design of the IBOC system and its ability to be implemented without causing harmful interference to existing users provides the Commission with the flexibility to authorize the commencement of digital broadcasts while the Commission finalizes its IBOC rules and an IBOC standard. Nautel encourages the FCC to avoid regulatory delay and to promptly endorse the iBiquity system to encourage the rollout of this new technology.

Respectfully submitted,

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Name: Scott Campbell

Title: Vice President and Chief Operating Officer